

**PUBLIC DISCLOSURE**

January 29, 2002

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**HAVERHILL CO-OPERATIVE BANK**

**180 MERRIMACK STREET  
HAVERHILL, MA 01831**

**DIVISION OF BANKS  
ONE SOUTH STATION  
BOSTON, MA 02110**

<p><b>NOTE:</b> This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
--

## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **HAVERHILL CO-OPERATIVE BANK** prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

### **INSTITUTION'S CRA RATING: This institution is rated “Satisfactory”**

The overall CRA rating of Satisfactory is based on the level of performance in the five performance criteria of the small institution examination procedures: Loan-to-Deposit Ratio, Lending in Assessment Area, Lending to Borrowers of Different Incomes, Geographic Distribution of Loans, and Fair Lending.

The bank's average net loan-to-deposit ratio over the past two years was 66.5 percent and was considered to be reasonable. A majority of the loans originated (73.4%) were extended inside the assessment area. The bank's performance with respect to borrower income was considered very good with 30.1 percent of all HMDA-reportable loans made to borrowers of low and moderate income; and the bank was found to exceed the standards for satisfactory performance in this category. The distribution of loans within the assessment area was also considered reasonable with 8.0 percent of all loans located in low and moderate-income census tracts. The Fair Lending performance was found to meet the standards of satisfactory performance with no CRA related complaints since the previous examination. At management's request, qualified investments and services were also considered and found to further support the satisfactory rating.

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Haverhill Co-operative Bank is a mutually owned community bank. As of December 31, 2001, the bank had approximately \$125 million in assets, \$80 million of which is in the form of loans. The bank operates two locations in Haverhill. The main office is located at 180 Merrimack Street and its branch is located at 163 South Main Street in Bradford (a neighborhood of Haverhill). The bank's main office is located in a low-income census tract and its Bradford branch is in a middle-income census tract.

Haverhill Co-operative Bank offers Automated Teller Machines (ATMs) at the main office and at the branch. The ATMs are linked to the Cirrus, NYCE, and SUM networks. The bank offers a variety of loan products including fixed and adjustable rate mortgages, construction loans, commercial loans, personal loans, automobile loans (new & used), home equity lines of credit and student loans.

The table below depicts the composition of the bank's loan portfolio based on the FDIC Call Report of Condition.

<b>Loan Portfolio as of December 31, 2001</b>		
<b>Type of Loans</b>	<b>\$(000's)</b>	<b>% of Total Loans</b>
Construction & Land Development	\$3,332	4.1%
Secured by Farmland	\$231	0.3%
Residential Real Estate		
a. 1-4 Family Mortgages	\$63,922	78.6%
b. Home Equity Lines	\$3,493	4.3%
Multifamily	\$754	0.9%
Commercial Loans		
a. Commercial Real Estate	\$488	0.6%
b. Commercial & Industrial Loans	\$6,547	8.0%
Consumer Loans		
a. Loans to Individuals	\$2,587	3.2%
Other Loans		
<b>Total</b>	<b>\$81,354</b>	<b>100.0</b>

Source: FDIC Call Report of Condition, 12/31/01

As described in the table above, residential real estate is the bank's primary form of credit activity. Loans secured by one-to-four family residential properties account for approximately 78.6 percent of all outstanding credit. Commercial and industrial loans are next with 8.0 percent, followed by home equity lines with 4.3 percent.

The bank's competition includes both state and nationally chartered financial institutions located within its assessment area. Its primary competitors include Pentucket Five Cents Savings Bank, First Essex Bank, Banknorth, Northeast Community Credit Union, Fleet National Bank, Sovereign Bank and numerous mortgage companies.

Based on aggregate Home Mortgage Disclosure Act (HMDA) data for 2000, Haverhill Co-operative Bank ranked 15th among 267 HMDA reporting lenders within its defined assessment area and held 1.5 percent of the market share.

In 2000, the top five mortgage lenders within the bank's defined assessment area were: (1) BankBoston (Fleet) (6.8% market share); (2) Ohio Savings Bank (4.8% market share); (3) Sovereign Bank (4.1% market share); (4) Countrywide Home Loans (3.9% market share); and (5) First Massachusetts Bank (3.4% market share). These top five lenders held a 23.1 percent market share of all mortgage loan originations reported under the HMDA.

There appear to be no legal or financial impediments that would prohibit the bank from meeting the credit needs of the community.

The most recent Community Reinvestment Act (CRA) evaluation, performed by the FDIC as of July 28, 1999, assigned the bank a "Satisfactory" CRA rating. The previous evaluation performed by the Commonwealth of Massachusetts as of March 9, 1998 resulted in a "High Satisfactory" CRA rating.

### **Description of Assessment Area**

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which the bank will focus its lending efforts. The Division of Banks evaluates the institution's CRA performance based on the defined assessment area. Assessment area(s) may consist of Metropolitan Statistical Areas (MSAs) or contiguous political subdivisions such as counties, cities and towns.

Haverhill Co-operative Bank defines its assessment area as the Town of Groveland and the City of Haverhill in Massachusetts and the Towns of Atkinson and Plaistow in New Hampshire. This assessment delineation places the bank's designated area within the Lawrence MA-NH Metropolitan Statistical Area (MSA).

According to 1990 US Census Data, Haverhill Co-operative Bank's assessment area has a total population of 69,092 individuals. The assessment area consists of 14 census tracts. Census tracts are defined as either low, moderate, middle or upper-income based on median Family Household Income (FHI) within the census tract. The Lawrence MA-NH MSA median Family Household Income (FHI) was \$60,800 for 2000 and \$64,100 for 2001. The census tract breakdown for Haverhill Co-operative Bank is as follows: 1 census tract or 7.1 percent is designated as low-income, 3 census tracts or 21.5 percent are designated as moderate-income, 9 census tracts or 64.3 percent is designated as middle-income and 1 census tract or 7.1 percent is designated as upper-income. The low and moderate-income census tracts are all located in Haverhill.

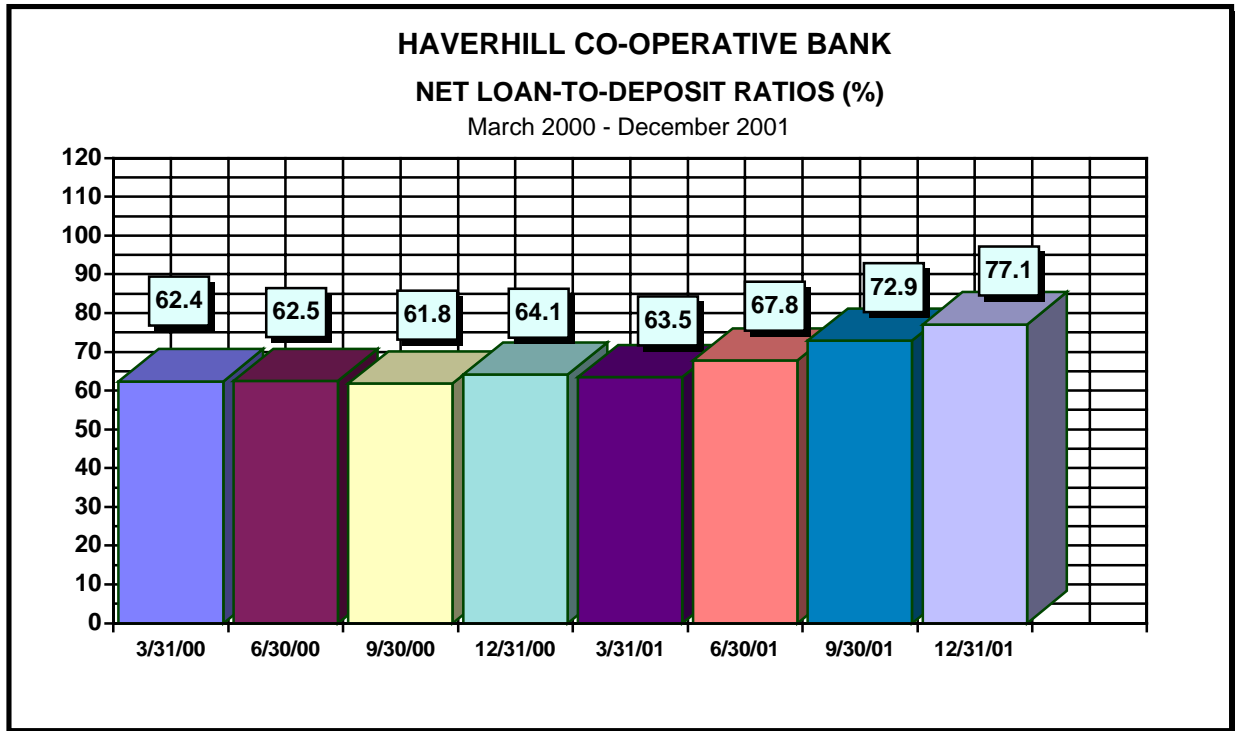
Housing stock within the assessment area is primarily one-to-four family residential dwellings (80.7%), of which a majority (59.5%) are owner-occupied units. The median home value of the assessment area is \$141,598.

During the examination, a community contact was conducted with a community development department. The goal of this department is to administer housing improvement programs that increase the availability of decent, safe and sanitary residential housing to its low and moderate-income residents.

## **PERFORMANCE CRITERIA**

### **1. LOAN-TO-DEPOSIT RATIO ANALYSIS**

Haverhill Co-operative Bank's average net loan-to-deposit ratio was calculated by using the data reported in the previous eight quarterly FDIC Call Reports. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. The bank's average net loan-to-deposit ratio for the period March 31, 2000, through December 31, 2001, was 66.5 percent. At the previous Commonwealth of Massachusetts Division of Bank's examination on March 9, 1998, the average net loan-to-deposit ratio was 61.9 percent. The asset size of the institution has increased from \$108.6 million as of March 31, 2000, to \$125.8 million as of December 31, 2001, which represents a 15.8 percent increase. During this time, net loans increased approximately 39.5 percent, while deposits increased approximately 12.9 percent. The following graph depicts the net loan-to-deposit ratio for each quarter under review.



As shown above, the net loan-to-deposit ratios have fluctuated throughout the past eight quarters. The slight fluctuation from March 2000 to March 2001 is a result of an increase in deposits. The increase from June 2001 to December 2001 is a result of an increase in the loan volume.

The following table compares the bank's net loan-to-deposit ratio to those of two other institutions within the assessment area. The information is as of September 30, 2001.

INSTITUTION	NET LOAN-TO-DEPOSIT RATIO
Northeast Community Credit Union	83.6%
<b>Haverhill Co-operative Bank</b>	<b>72.9%</b>
Pentucket Five Cents Savings Bank	72.1%

These institutions varied in asset size from \$248 million for Pentucket Five Cents Savings Bank to \$70 million for Northeast Community Credit Union.

Based on the above information, the bank's asset size and resources, competition, and the credit needs of the assessment area, the bank's net loan-to-deposit ratio is considered reasonable and meets the standards for satisfactory performance.

## 2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Haverhill Co-operative Bank's 2000 and 2001 HMDA Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the bank's assessment area. During this period, the bank originated 271 HMDA-reportable loans totaling approximately \$36,396,000. Of these, 199 loans or 73.4 percent of the number totaling \$25,246,000 or 69.4 percent of the dollar value of all loans were originated in the bank's assessment area.

Haverhill accounted for the largest percentage of originations by number with 79.9 percent, followed by Atkinson with 10.1 percent. Haverhill also accounted for the largest dollar volume of originations with 78.2 percent, followed by Atkinson with 11.4 percent.

The following table provides the bank's HMDA-reportable lending by number and dollar amount.

Distribution of Home Mortgage Loans Inside and Outside the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollars in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
<b>2000</b>	54	73.0	6,298	73.1	20	27.0	2,319	26.9
<b>2001</b>	145	73.6	18,948	68.2	52	26.4	8,831	31.8
<b>Total</b>	<b>199</b>	<b>73.4</b>	<b>25,246</b>	<b>69.4</b>	<b>72</b>	<b>26.6</b>	<b>11,150</b>	<b>30.6</b>

Source: HMDA LAR, CRA Wiz

As indicated in the above table, the majority (73.4% by number) of loans, during the period examined were originated inside the bank's assessment area.

Haverhill Co-operative Bank sold 3 loans to the secondary market in 2001 totaling \$421,000.

Based on all of the above information, it is evident that an acceptable number and dollar amount of the bank's loans have been extended within its assessment area. Therefore, the institution's level of lending within its assessment area meets the standards for satisfactory performance.

### 3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

The bank's residential loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes for the Lawrence MA-NH Metropolitan Statistical Area (MSA) based on the location of the property. The Lawrence MA-NH MSA median Family Household Income (FHI) was \$60,800 for 2000 and \$64,100 for 2001. These income figures are based on estimated Department of Housing and Urban Development (HUD) information.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows, by number, the HMDA-reportable loans made to low, moderate, middle and upper-income borrowers, in comparison to the percentage of households within the assessment area in each respective income group, as well as the aggregate data of other lenders.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	Total Households	2000 Aggregate Data	2000		2001		Total	
	%	%	#	%	#	%	#	%
Low	23.9	5.2	3	5.6	11	7.6	14	7.0
Moderate	16.2	17.7	11	20.4	35	24.1	46	23.1
Middle	21.5	27.7	18	33.3	35	24.1	53	26.7
Upper	38.4	31.4	18	33.3	58	40.0	76	38.2
NA	0.0	18.0	4	7.4	6	4.2	10	5.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>54</b>	<b>100</b>	<b>145</b>	<b>100</b>	<b>199</b>	<b>100</b>

Source: U.S. Census, HMDA LAR, CRA Wiz

During the examination period, the bank extended 14 loans to low-income borrowers representing 7.0 percent by number and 3.5 percent by dollar amount of the total loans within the assessment area. This falls below the 23.9 percent of low-income households within the assessment area. Mitigating factors include the large proportion of households living below the poverty level (7.6%) as well as individuals receiving public assistance (6.8%). The high number of households at these income levels makes homeownership difficult.



The table further indicates that the bank extended 46 loans to moderate-income borrowers, representing 23.1 percent by number and 18.0 percent by dollar amount of the total loans within the assessment area. The number of loans substantially exceeds the 16.2 percent of moderate-income households within the assessment area.

The distribution of the bank's loans among various borrower income levels was compared to that of all other HMDA-reporters in the assessment area. Other HMDA-reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 2000.

The distribution of the bank's residential loans to low-income borrowers is comparable to that of all other HMDA-reporters within the assessment area. The bank's percentage of lending to borrowers of low-income was 5.6 percent compared to the aggregate with 5.2 percent.

In 2000 Haverhill Co-operative Bank's lending to moderate-income borrowers accounted for 20.4 percent of all loans by number. This percentage exceeds the aggregate, which granted 17.7 percent of total loans by number to moderate-income borrowers.

Haverhill Co-operative Bank ranked 16th in 2000 in lending to low and moderate-income borrowers within its assessment area. The bank originated 14 HMDA-reportable loans to borrowers in these income groups, capturing 1.7 percent of the market.

The distribution of lending by borrower income in comparison to the number of total households and the aggregate demonstrates the bank's willingness to lend to borrowers of all income levels, including those of low and moderate-income. Haverhill Co-operative Bank's lending distribution by borrower income levels is considered to exceed the standards for satisfactory performance.

#### **4. GEOGRAPHIC DISTRIBUTION OF LOANS**

HMDA-reportable loans located within the bank's assessment area were further analyzed to determine their location by census tract income level. The following table provides a breakdown, by number, of the bank's HMDA-reportable loans within its assessment area according to census tract income level. The table also compares the percentage of the bank's lending activity to owner-occupied housing units and the aggregate data in each of the census tract income categories.

Distribution of HMDA Loans by Census Tracts								
Census tract Income Level	Owner-Occupied Housing Units	2000 Aggregate Data	2000		2001		Total	
	%	%	#	%	#	%	#	%
<b>Low</b>	1.8	3.3	1	1.9	1	0.7	2	1.0
<b>Moderate</b>	8.5	9.7	4	7.4	10	6.9	14	7.0
<b>Middle</b>	80.4	77.3	45	83.3	118	81.4	163	81.9
<b>Upper</b>	9.3	9.7	4	7.4	16	11.0	20	10.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>54</b>	<b>100</b>	<b>145</b>	<b>100</b>	<b>199</b>	<b>100</b>

Source: U.S. Census, HMDA LAR, CRA Wiz

As the table shows, the bank extended 2 loans within low-income census tracts, representing 1.0 percent of the number and 0.5 percent of the dollar amount of the bank's total loans within the assessment area. This percentage is slightly below the 1.8 percent of owner-occupied housing units within low-income census tracts.

Additionally, 14 loans or 7.0 percent by number and 6.8 percent by dollar amount were granted within moderate-income census tracts. This percentage is also below the 8.5 percent of owner-occupied housing units within moderate-income census tracts in the assessment area.

The majority of the bank's loans or 81.9 percent are made within the bank's middle-income census tracts. This percentage is comparable to the percentage of housing units within middle-income census tracts – 80.4 percent. It is also representative of the proportion of middle-income census tracts, which comprise the majority of census tracts within the assessment area at 64.3 percent.

Haverhill Co-operative Bank's lending performance by census tract income category was also compared to all other HMDA-reporting lenders in the assessment area. The most recent data available for this analysis relates to calendar year 2000.

The bank's residential loans within low and moderate-income census tracts fall below that of the aggregate. The bank originated 1.9 percent by number in low-income census tracts and 7.4 percent by number in moderate-income census tracts in 2000. The aggregate originated 3.3 percent by number in the low-income census tracts and 9.7 percent by number in moderate-income census tracts.

In 2000, Haverhill Co-operative Bank ranked 27<sup>th</sup> in market share in lending to low and moderate-income census tracts within its assessment area. The bank originated 5 HMDA-reportable loans in these census tracts, representing 1.1 percent of the market share.

Based upon the analysis of the geographic distribution of loans, Haverhill Co-operative Bank's HMDA-reportable lending is considered to meet the standards for satisfactory performance.

## **5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES**

Haverhill Co-operative Bank has included a Fair Lending Statement as part of its Lending Policy. The following activities describe how the bank's fair lending activities relate to the guidelines set forth in the Division of Banks Regulatory Bulletin 2.3 - 101.

Employees of the bank are educated on fair lending through a fair lending video and a training session. The bank regularly advertises its products and services in two local newspapers, The Haverhill Gazette and The Eagle Tribune. The bank also advertises through the local cable outlet. The bank is active in several community-based organizations including the Chamber of Commerce and the Greater Haverhill Foundation.

The bank offers customers a first-time homebuyer product with flexible terms. The bank sponsored a two-day first-time homebuyer seminar in 2000, which included credit counseling.

The bank has established a website [www.haverhillbank.com](http://www.haverhillbank.com) which includes descriptions of all products and services offered and e-mail capabilities. The bank has also implemented a telephone banking line where customers can manage their finances by telephone.

Haverhill Co-operative Bank has a second review policy where the security committee completes a second review of rejected loan applications to ensure that credit is being granted in accordance with bank policies and applicable laws. The HMDA reported data is checked for accuracy on an annual basis to ensure that correct information is included on the bank's HMDA/LAR report. The bank refers all loan customers whose mortgages are delinquent to the Consumer Credit Counseling Services of Massachusetts (CCCS).

The bank has a staff of 39 employees, of whom four are bilingual. Their languages include Spanish, Greek, French and Arabic. The bank employs two loan originators. One originator receives a base salary plus commission while the other is paid on commission only.

### **MINORITY APPLICATION FLOW**

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities. During the examination period, the bank received 227 residential loan applications from within its assessment

area. During this period, 13 applications or 5.7 percent, were received from minorities. Refer to the following table for further details.

#### **MINORITY APPLICATION FLOW**

<b>Race</b>	<b>2000</b>		<b>2001</b>		<b>Total</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
American Indian	0	0.0	0	0.0	0	0.0
Asian	1	1.6	0	0.0	1	0.4
Black	0	0.0	2	1.2	2	0.9
Hispanic	2	3.3	4	2.5	6	2.6
Joint Race	1	1.6	3	1.8	4	1.8
Other	0	0.0	0	0.0	0	0.0
<b>Total Minority</b>	<b>4</b>	<b>6.5</b>	<b>9</b>	<b>5.5</b>	<b>13</b>	<b>5.7</b>
White	58	93.5	156	94.5	214	94.3
<b>Total</b>	<b>62</b>	<b>100.0</b>	<b>165</b>	<b>100.0</b>	<b>227</b>	<b>100.0</b>

Source: HMDA LAR, CRA Wiz

According to 1990 Census Data, the bank's assessment area contains a total population of 69,092 individuals of whom 5.9 percent are minorities. The minority population is 0.2 percent Native American, 0.5 percent Asian, 1.2 percent Black, 3.9 percent Hispanic and 0.1 percent Other. The bank's minority application flow of 5.7 percent overall is comparable with the minority composition of the assessment area

The bank's minority application flow for this period was compared with the 2000 aggregate data. Aggregate information indicated that 5.9 percent of the 5,619 HMDA-reportable applications received from other lenders within the assessment area in year 2000 were from minorities: The bank's performance level at 6.5 percent is considered comparable to that of the aggregate.

## **QUALIFIED INVESTMENTS AND SERVICES**

At management's request the bank's performance in the area of qualified investments and services was reviewed. To be considered for review, an investment or service must meet the definition of community development. Community development purposes are defined as affordable housing, community service, economic development, and community stabilization/revitalization. Community development services must relate to the provision of financial services.

### **Qualified Donations**

In 2000 and 2001, Haverhill Co-operative Bank's donations totaled \$60,453. Of this total, \$31,450 was considered qualified. The following are examples of the bank's qualified investments.

- **American Red Cross:** The bank's contribution to this organization has been directed towards the victims and families of the September 11, 2001 terrorist attack in New York.
- **United Way of the Merrimack Valley:** The goal of this organization is to improve the lives of children, families, the hungry, the homeless, the elderly and the disabled. Donations to this chapter are used to fund approximately 54 various community organizations throughout the Merrimack Valley, of which 60.0 percent are located in the Cities of Haverhill, Lawrence, and Lowell, MA. In total these cities contain 53 census tracts, with 39 or 73.6 percent representing low or moderate-income areas.
- **Community Action, Inc. (CAI):** This is a multi-service, anti-poverty agency serving the Greater Haverhill, Amesbury and Newburyport area. CAI works through three agency divisions: Energy, Children and Family Services, and Advocacy and Community Services. These services help low-income people meet their essential needs and take action to improve their own lives.
- **Christmas in April:** This non-profit organization assists in the renovations of houses for low-income individuals and families through donations and volunteer labor. The bank's donation was used towards the renovation of over 35 homes in Haverhill.
- **Consumer Credit Counseling Service, Inc.:** The bank's contributions to this organization have assisted them in providing credit-counseling services to low and moderate-income residents.

### **Retail Banking Services**

Haverhill Co-operative Bank's main office is located in a low-income census tract at 180 Merrimack Street in downtown Haverhill. The bank also has a branch office located at 163 South Main Street in the Bradford section of Haverhill. Both offices are open from 9:00 a.m. to 3:00 p.m. Monday through Wednesday. On Thursdays and Fridays, the bank is open until 5:00 p.m. In addition, on Saturdays, the bank is open from 9:00 a.m. until 12:30 p.m. Drive-up windows are available at both offices and are open one hour before and after normal business hours. Both offices are also equipped with 24 hour Automated Teller Machines (ATMs) that are linked to the Cirrus, NYCE, and SUM networks. In addition, the bank has four bilingual employees available to assist customers who speak Spanish, Greek, French and Arabic.

Haverhill Co-operative Bank also maintains a formal branch closing policy, which outlines appropriate procedures to be followed should the decision be made to close an office. No offices have closed since the previous examination.

Haverhill Co-operative Bank offers a Visa Debit Card, which can be used to purchase goods and services or withdraw money at any establishment or terminal that displays the Visa logo. There are no transaction fees associated with the Visa Debit Card when performed within the network affiliates noted above or at one of the bank's ATM's.

The bank also offers phone connection, a telephone banking line, where customers are able to manage their finances by telephone.

Haverhill Co-operative Bank's Web Site: [www.haverhillbank.com](http://www.haverhillbank.com) provides a brief history of the bank, branch locations, and an overview of its current products.

Home Connection is a 24-hour remote banking service, which provides customers with several money management options such as checking balances, transferring funds and paying bills. This service can be accessed through the bank's web site.

In addition, bank-by-mail is available, allowing customers to mail in deposits and allow existing customers to open new accounts.

As a participant in the voluntary program sponsored by the Massachusetts Community and Banking Council's (MCBC) Basic Banking Program, Haverhill Co-operative Bank offers a low cost savings and checking account to all segments of its assessment area, including those with modest incomes. The bank offers a free checking account that requires no minimum balance with no monthly fixed charges.

### **Qualified Community Development Services**

Haverhill Co-operative Bank's Officers and employees, at all levels, are actively involved with community organizations. Through these involvements, the bank's staff lends their technical expertise, experience and judgement to these organizations. The following are qualifying examples of bank employee services

**Greater Haverhill Foundation:** This non-profit organization supports industrial and commercial development which provides local jobs. The bank's President serves as a Director and Vice President for this organization.

**Griffin White Foundation:** This is a non-profit foundation, located in a moderate-income census tract, which provides subsidized housing and everyday care to elderly men who are unable to live or afford to live on their own. The bank's President serves on the Board of Directors.

**First Time Home Buyers Association:** This association offers financing to Haverhill first time home buyers with incomes less than 80 percent of the median household income. The program features reduced interest rates, no points, five percent down payments, and homeownership counseling sessions. The bank's Vice President serves as the Chairman of the Loan Committee for this association.

**United Way of Merrimack Valley:** This organization works to improve the lives of children, families, the hungry, the homeless, the elderly and the disabled. The bank's Marketing Director is a Chairperson for the Haverhill Division.

# THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

## HAVERHILL CO-OPERATIVE BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **January 29, 2002**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

A majority of the Board of Directors/Trustees

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_



# PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee that does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.